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EUROSYSTEM

## Current developments in security of retail payments

**Rui Pimentel**  
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- Security of retail payments – Current landscape in Europe
- Work carried out by the SecuRe Pay Forum
- Role of supervisors
- Next steps





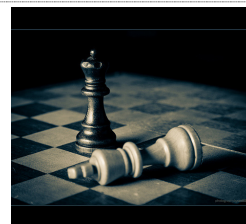
### Topics to consider in the domain of security

- Migration to SEPA to be concluded soon (1 Aug)
- Focus will shift to other areas: cards, innovative products and security
- New fraud types continuously being identified
- Importance of a consistent approach by authorities
- Legislation shall clarify the activities of Third Party Providers



### Against this background...

- Mitigation measures and initiatives are needed
- Clear messages to be transmitted to the market
- Cooperation between the catalyst role, the overseers and supervisors



Relevance of the Secure Pay Forum



## Scope of intervention

*The Forum's work focuses on the whole processing chain of electronic retail payment services (excluding cheques and cash), irrespective of the payment channel. The Forum aims to address areas where major weaknesses and vulnerabilities are detected and, where appropriate, makes recommendations. The ultimate aim is to foster the establishment of a harmonised EU/EEA-wide minimum level of security.*

*(...)*

*Given the current experience of regulators, legislators, PSPs and the general public that payments made over the internet are subject to higher rates of fraud than traditional payment methods, the Forum decided to develop recommendations for the security of internet payments.*

In RECOMMENDATIONS FOR THE SECURITY OF INTERNET PAYMENTS – Final version (Jan.2013)

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## SecuRe Pay Forum – Published documents

1. Recommendations for the security of internet payments  
(Jan 2013 – final)
2. Draft recommendations for Access to Payment Account Services  
(public cons Jan-Apr 2013)
3. Draft recommendations for Mobile Payments  
(public cons Nov 2013-Jan 2014)

**Recommendations: common structure, different scope**

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## Current status



### Recommendations for the security of internet payments

- An Assessment Guide was published on 4 February 2014
- The market shall adopt the Recommendations from 1 February 2015
- Based on the “comply or explain” principle
- Incorporation to the oversight and supervisory frameworks
- Relevant role by supervisors in the assessment
- Increased effort on communication: focus on Strong Authentication



## Current status



### Draft recommendations for Access to Payment Account Services

- The Forum finalised its drafting in early 2014
- An explanatory document was made publicly available on 18 March 2014
- The full proposal of Recommendations was published on 12 May 2014

<http://www.ecb.europa.eu/pub/pdf/other/pubconsultationoutcome201405securitypaymentaccountaccessservicesen.pdf>

- Activities of Third Party Providers (TPPs) to be clarified in the revised Payment Services Directive (PSD2)
- The European Banking Authority shall take a leading role according to the mandate outlined on PSD2



## Current status



### Draft recommendations for Mobile Payments

- **Public consultation closed on 31 January 2014**
- **The Forum is discussing the conclusions**
- **Scope entails Mobile Payment Service Providers (MPSPs)**
- **Several types of payment solutions to be included: apps, contactless, SMS**
- **Strong Authentication also key in this document**



## Supervisors

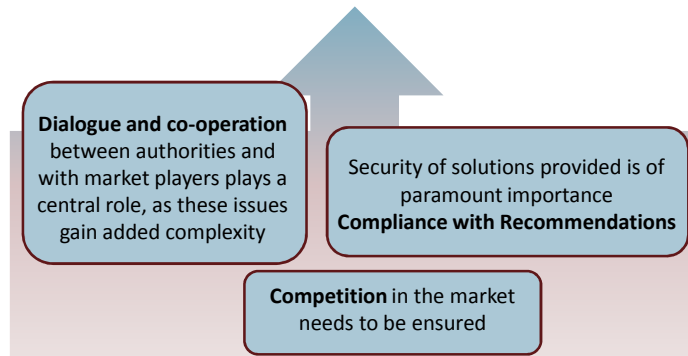


- **In the current context, providers of all kinds of retail payment services are under growing scrutiny authorities in charge of financial supervision**
- **The role of the European Banking Authority will become more visible by enhancing harmonisation across national supervisors**
- **This is a key factor for level playing field for security aspects**



## Outlook

- In a context of growing innovation, consumer protection also takes a prominent role underpinning confidence in the solutions provided



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## Outlook

- The field of security of payments will keep a prominent place in international discussions...
- ...because threats always exist
- In a digital economy, 100% security doesn't seem feasible...
- ...so, continuous mitigation efforts are needed!

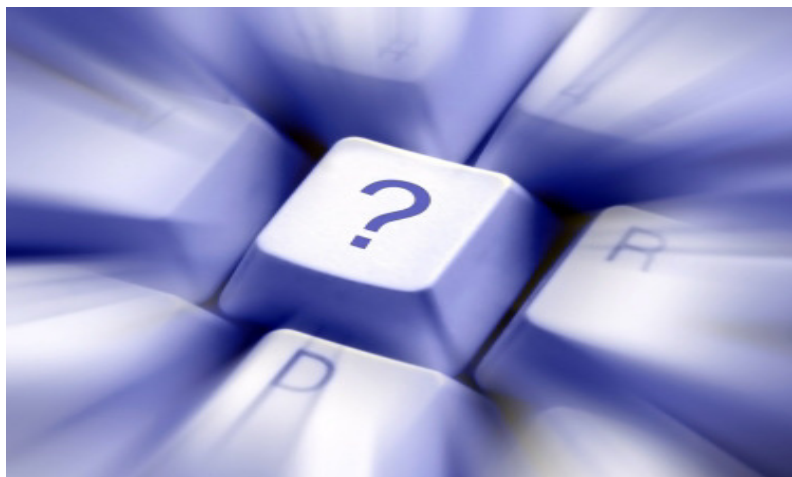


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***THANK YOU!***

**Rui Pimentel**  
**Head of the Payment Systems Analysis and Development Unit**  
**Payment Systems Department**  
**Banco de Portugal**  
**[rpimentel@bportugal.pt](mailto:rpimentel@bportugal.pt)**

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